

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01
PRS-01 CEQ-01 EPA-01 DOTE-00 DLOS-09 /114 W
-----062047Z 087514 /72

R 061935Z JUN 77

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E.O. 11652:NA
TAGS:ENRG, SENV, PINT, CA
SUBJECT:ALCAN NATURAL GAS PIPELINE PROPOSAL - VIEW FROM
THE YUKON

REF: 1976 OTTAWA 4451

1. SUMMARY. THE SUDDEN PRIMACY OF THE ALCAN NATURAL GAS PIPELINE PROPOSAL AS A RESULT OF THE BERGER REPORT'S STRONG OPPOSITION TO THE MACKENZIE VALLEY ROUTE SEEMS TO HAVE CAUGHT MOST YUKONERS BY SURPRISE. THE POSITIONS OF THE RESIDENTS ARE FORMING QUICKLY ALONG PREDICTABLE LINES: THE WHITE COMMUNITY GENERALLY IN QUALIFIED SUPPORT, AND THE INDIAN LEADERS GENERALLY IN OPPOSITION PENDING SETTLEMENT OF LAND CLAIMS. ON BALANCE, IT APPEARS THE MAJORITY OF YUKONERS WOULD FAVOR A PIPELINE AND THAT OPPOSITION ELEMENTS ARE NOT STRONG ENOUGH TO BE A SERIOUS IMPEDIMENT TO CONSTRUCTION OF THE PIPELINE SHOULD THE FEDERAL GOVERNMENT RECOMMEND IT OVER OTHER ALTERNATIVES. B.C. PREMIER, WHO HAS FOR MORE THAN A YEAR REPORTEDLY BEEN IN FAVOR OF ALCAN

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ROUTE, STATED DURING MEETING WITH AMBASSADOR MAY 31 THAT ALCAN ROUTE POSED NO PROBLEM FOR BRITISH COLUMBIA. AN ALTERNATE LINE ALONG THE TINTINA TRENCH HAS BEEN SUGGESTED AND INFORMATION ABOUT IT REQUESTED FROM THE PIPELINE APPLICANT (FOOTHILLS) BY THE NATIONAL ENERGY BOARD. END SUMMARY.

2. INTRODUCTION. CONGEN COMMERCIAL OFFICER VISITED YUKON

TERRITORY MAY 17-23. VISIT COINCIDED WITH OPENING OF LYSYK INQUIRY INTO THE PROPOSAL (ALCAN) BY FOOTHILLS PIPELINE TO LINK ALASKA GAS TO THE "LOWER 48" THROUGH CANADA VIA THE ALASKA HIGHWAY. FOLLOWING SUMMARY OF PREVAILING ATTITUDES BASED ON CONVERSATIONS WITH GOVERNMENT OFFICIALS AND PRIVATE CITIZENS IN WHITEHORSE AND DAWSON.

3. FEDERAL GOVERNMENT. YUKONERS LOOK UPON FEDERAL GOVERNMENT AS BEING STRONGLY IN FAVOR OF ALCAN PROPOSAL. THEY POINT OUT PROPOSAL (1) HAS NONE OF HIGH POLITICAL COSTS SEEMINGLY ASSOCIATED WITH THE MACKENZIE PROPOSAL IN VIEW OF JUSTICE BERGER'S OPPOSITION; (2) YUKON INDIANS, AT LEAST UNTIL RECENTLY, ARE MORE TRACTABLE THAN THE MACKENZIE NATIVES AND FAR LESS POWERFUL POLITICALLY; AND (3) ENVIRONMENTAL IMPACT OF THE PROPOSAL IS SIGNIFICANTLY LESS, AS ACKNOWLEDGED BY THE BERGER REPORT. MOREOVER, SHOULD ALCAN PIPELINE BE BUILT, THE DEMPSTER HIGHWAY, WHICH SHOULD BE COMPLETED BY THE END OF SUMMER 1979, WOULD PROVIDE A CONVENIENT LATERAL CONNECTING ROUTE FOR POTENTIAL MACKENZIE VALLEY/BEAUFORT SEA GAS. DEMPSTER ROUTE LOUDLY TOUTED BY SOME GROUPS, EVEN THOUGH IT CROSSES MIGRATION ROUTES OF THE PORCUPINE CARIBOU HERD WHOSE PRESERVATION IS AN IMPORTANT FACTOR IN BERGER'S OPPOSITION TO PRUDHOE BAY-BEAUFORT SEA LINE. (FEDERAL ENERGY MINISTER GILLESPIE, WHILE RECENTLY OVER-FLYING THE AREA, REPORTEDLY SAID HE SAW NO "MAJOR OBSTACLES" TO DEMPSTER ROUTE.) SOME YUKON CYNICS GO SO FAR AS TO SAY THAT DEMPSTER HIGHWAY BEING BUILT PRIMARILY TO ALLOW CANADIAN GOVERNMENT OPTION OF FINDING THAT A CONNECTING DEMPSTER GAS LINE WOULD USE AN 'EXISTING LIMITED OFFICIAL USE

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UTILITY CORRIDOR." IN CONVERSATIONS WITH CONGEN OFFICER, HOWEVER, FEDERAL OFFICIALS WERE CAREFULLY NONCOMMITTAL ABOUT ROUTE PREFERENCE.

4. TERRITORIAL GOVERNMENT. YUKON TERRITORIAL GOVERNMENT (YTG) SEEMS TO HAVE ADOPTED NEUTRAL STANCE. ACCORDING TO ASSISTANT COMMISSIONER GILLESPIE, YTG WILL PROBABLY NEITHER SUPPORT NOR OPPOSE THE PIPELINE, BUT WILL ONLY LAY DOWN CONDITIONS OF CONSTRUCTION IN THE EVENT THAT OTTAWA GIVES THE GO-AHEAD. LAST FEBRUARY YUKON COMMISSIONER PEARSON SPOKE IN FAVOR OF ALCAN OVER MACKENZIE ROUTE. B.C. PREMIER, WHO HAS FOR MORE THAN A YEAR REPORTEDLY BEEN IN FAVOR OF ALCAN ROUTE, STATED DURING MEETING WITH AMBASSADOR ON MAY 31 THAT ALCAN ROUTE POSED NO PROBLEM FOR BRITISH COLUMBIA. PREMIER BENNETT ALSO MENTIONED THAT THE YUKON LEGISLATIVE COUNCIL HAS INDICATED ITS SUPPORT OF THE ALCAN ROUTE. (IN MAY OF LAST YEAR, AS REPORTED VANCOUVER 524, THE YUKON LEGISLATIVE COUNCIL APPROVED A RESOLUTION SUPPORTING INVESTIGATION OF THE ALCAN PIPELINE ROUTE.)

YTG IS IN AN UNENVIABLE POSITION IN THE TERRITORY. IT DOES NOT HAVE THE FULL CONFIDENCE OF ANY GROUP IN THE YUKON. WHITES VIEW IT AS A CREATURE OF THE FEDERAL GOVERNMENT BECAUSE THE BUDGET IS CONTROLLED AND PARTIALLY FUNDED BY OTTAWA, AND BECAUSE THE CHIEF EXECUTIVE (COMMISSIONER) IS FEDERALLY APPOINTED. WHITES WOULD PREFER THAT YUKON BECOME A PROVINCE SO THEY MIGHT BE ABLE EXERCISE MORE CONTROL OVER THEIR OWN AFFAIRS. INDIANS, ON THE OTHER HAND, VIEW THE YTG AS A CREATURE OF THE WHITES. NONE OF THIS MAKES IT EASY FOR THE YTG TO TAKE A CLEAR STAND ON THE PIPELINE.

5. COUNCIL OF YUKON INDIANS. MOST WHITES WERE SURPRISED BY THE ADAMANT ANTI-PIPELINE STANCE TAKEN BY THE COUNCIL

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OF YUKON INDIANS (CYI) BEFORE THE LYSYK INQUIRY, NAMELY, A TEN YEAR MORATORIUM ON PIPELINE CONSTRUCTION, NO PIPELINE UNTIL LAND CLAIMS ARE SETTLED AND IMPLEMENTED, AND NO PIPELINE UNTIL SOME MANNER OF INDIAN SELF-GOVERNMENT IS ESTABLISHED. PREVIOUSLY, IT HAD BEEN THOUGHT THE CYI WOULD SETTLE FOR AN AGREEMENT IN PRINCIPLE ON LAND CLAIMS PRIOR TO PIPELINE CONSTRUCTION. CYI STAND LOOKS LIKE "ME-TOO-ISM", THE LEADERSHIP APPARENTLY FEELING IT CANNOT BE SEEN BY MORE RADICAL MEMBERS AS DEMANDING LESS THAN THE MACKENZIE NATIVE GROUPS. COMMISSIONER PEARSON AND OTHERS

HAVE EXPRESSED OPTIMISM ABOUT AN AGREEMENT IN PRINCIPLE ON THE CLAIMS BY FALL, BUT THERE IS NO HINT THAT THE FEDERAL GOVERNMENT WOULD POSTPONE CONSTRUCTION UNTIL CLAIMS ARE SETTLED AND IMPLEMENTED. GIVEN THE GLACIAL PACE OF NEGOTIATIONS TO DATE, SUCH MIGHT EASILY EXTEND OVER A PERIOD OF TEN YEARS. CYI MAY NOT BE COMPLETELY UNITED INTERNALLY ON ITS PUBLIC POSITION. IT IS AN AMALGAMATION OF TWO GROUPS, THE YUKON NATIVE BROTHERHOOD (YNB) AND THE YUKON ASSOCIATION OF NON-STATUS INDIANS (YANSI), WHICH HAVE COME TOGETHER PRIMARILY TO NEGOTIATE LAND CLAIMS. LIMITED OFFICIAL USE

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YANSI, WHICH REPRESENTS THOSE INDIANS WHO PARTICIPATE MORE FULLY IN THE WAGE ECONOMY AND WHO ARE NOT ASSOCIATED WITH THE NORMAL INDIAN BANDS, HAS TRADITIONALLY BEEN MORE PRO-DEVELOPMENT THAN THE YNB. A TOUGH ANTI-PIPELINE STANCE BY THE CYI, ONE NOT JUST ADOPTED FOR BARGAINING PURPOSES, COULD CAUSE A SPLIT IN THE COALITION. SUCH A SPLIT MIGHT MAKE LAND CLAIMS NEGOTIATION MORE DIFFICULT, BUT MIGHT MAKE IT EASIER POLITICALLY FOR THE FEDERAL GOVERNMENT TO SELECT THE ALCAN ROUTE PROPOSAL.

6. BUSINESS COMMUNITY. THE BUSINESS COMMUNITY FAVORS THE PIPELINE FIRST BECAUSE OF THE POTENTIAL FOR INCREASED BUSINESS ACTIVITY DURING CONSTRUCTION AND SECOND BECAUSE IT COULD PROVIDE THE NUCLEUS FOR FURTHER DEVELOPMENT IN THE YUKON. BUSINESSMEN, INCLUDING MINING INTERESTS, WOULD ATTACH SEVERAL CONDITIONS TO PIPELINE CONSTRUCTION. THE FOLLOWING ARE REPRESENTATIVE OF THE DEMANDS OF MOST PRO-PIPELINE YUKONERS:

A. SUFFICIENT FUNDS AND CAREFUL PLANNING TO MINIMIZE OR OFFSET SOCIAL AND ECONOMIC DISRUPTION.

B. GAS PUMPING STATIONS POWERED ELECTRICALLY RATHER THAN BY GAS FUEL, THEREBY CREATING AN ELECTRICITY DEMAND BASE WHICH WOULD MAKE FEASIBLE A MAJOR HYDRO-ELECTRIC PROJECT IN THE YUKON FOR THE BENEFIT OF THE MINING INDUSTRY AND OTHERS.

C. ACCESS TO NATURAL GAS SUPPLIES BY COMMUNITIES ALONG THE PIPELINE ROUTE.

D. POSSIBLE REHABILITATION OF THE EXISTING HAINES-FAIRBANKS PIPELINE TO PROVIDE RELATIVELY INEXPENSIVE PETROLEUM PRODUCTS FROM ALASKA.

E. MAXIMUM POSSIBLE USE OF YUKON CONTRACTORS AND BUSINESS- LIMITED OFFICIAL USE

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ES BY PIPELINE BUILDERS.

IF FOOTHILLS CAN FULFILL ALL OR MOST OF THESE CONDITIONS,
IT CAN EXPECT ENTHUSIASTIC SUPPORT FROM THE BUSINESS
COMMUNITY.

7. CONSERVATIONISTS. LOCAL CONSERVATIONISTS SEEM RESIGNED
TO THE INEVITABILITY OF PIPELINE DEVELOPMENT. INSTEAD OF
OPPOSING THE ALCAN LINE, THEY INSIST ON MITIGATING ITS
AFFECTS. ONE CONSERVATIONIST THOUGHT THAT FOOTHILLS HAS
A "REASONABLE PROPOSAL". OPPOSITION TO THE DEMPSTER HIGH-
WAY LINE, HOWEVER, IS MUCH MORE FIRM, MAINLY BECAUSE OF
THE CARIBOU MIGRATION PROBLEM.

8. TRADITIONALISTS. THERE IS A LARGE THOUGH UNORGANIZED
AND GENERALLY PASSIVE GROUP OF WHITE YUKONERS WHO DO NOT
WISH TO SEE THE YUKON CHANGED. THEY VIEW THE PIPELINE AS
THE THIN EDGE OF THE WEDGE FOR LARGE-SCALE DEVELOPMENT
IN THE YUKON, AND THEREFORE A THREAT TO THE "WILDERNESS"
LIFESTYLE THEY HAVE KNOWN. TO SOME EXTENT, THIS CONCERN
IS SHARED BY NEARLY ALL YUKONERS AND, SHOULD THE PIPELINE
COMPANY AND THE VARIOUS LEVELS OF GOVERNMENT FAIL TO
ADDRESS SUCH, WHAT IS CURRENTLY A RATHER NEBULOUS ATTITUDE
COULD HARDEN INTO A POTENT SOURCE OF OPPOSITION TO THE
PIPELINE.

9. TINTINA TRENCH ALTERNATIVE. THE CITY OF DAWSON,
INCREASINGLY CONCERNED ABOUT ITS HIGH COST OF ENERGY
(COMMERCIAL POWER IS REPUTEDLY 200 PERCENT MORE EXPENSIVE
THAN IN WHITEHORSE), HAS URGED BY RESOLUTION DATED MAY 4
THAT A TINTINA TRENCH PIPELINE BE DEVELOPED AS A VIABLE
ALTERNATIVE TO THE EXISTING ALCAN PROJECT PROPOSAL. SUCH
A PIPELINE, INSTEAD OF RUNNING ALONG THE ALASKA HIGHWAY,

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WOULD FOLLOW THE GEOLOGICAL FEATURE KNOWN AS THE TINTINA TRENCH, WHICH BEGINS WHERE THE YUKON RIVER FLOWS INTO ALASKA AND WHICH THEN FOLLOWS A RELATIVELY STRAIGHT LINE SOUTHEAST THROUGH THE YUKON PAST DAWSON TO STEWART CROSSING, FARO AND ROSS RIVER. FROM ROSS RIVER, THE ROUTE WOULD FOLLOW A HIGHWAY TO WATSON LAKE (OR PERHAPS A STRAIGHT LINE SOMEWHAT SOUTH OF THE HIGHWAY) TO JOIN THE ALASKA HIGHWAY. 8, \$-2 9, .8,\$, THIS ROUTE WOULD HAVE THE ADVANTAGE OF BEING SHORTER THAN THE ALCAN, TRAVERSE "ALL KNOWN AND ECONOMICALLY FEASIBLE ORE RESERVES OF THE YUKON", AND PROVIDE EASY ACCESS TO THE INEXPENSIVE ELECTRICAL POWER POTENTIAL WHICH THE YUKONERS WISH TO SEE DEVELOPED BOTH FOR PIPELINE PUMPING STATIONS AND FOR THE BENEFIT OF YUKON BUSINESSES AND RESIDENTS ALONG THE ROUTE. COMMENT: ACCORDING TO INFORMATION OBTAINED FROM A YUKON GOVERNMENT OFFICIAL IN VANCOUVER, THE NATIONAL ENERGY BOARD IN OTTAWA HAS REQUESTED INFORMATION ON THE TINTINA TRENCH AS A POSSIBLE ALTERNATIVE YUKON PIPELINE ROUTE FROM FOOTHILLS PIPE LINE LIMITED. WE UNDERSTAND FROM THIS OFFICIAL THAT THE TINTINA TRENCH ALTERNATIVE WOULD MEAN A SHORTER LIMITED OFFICIAL USE

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DEMPSTER HIGHWAY LATERAL LINE IF SUCH A CONNECTING LINE WERE DEEMED NECESSARY TO MOVE MACKENZIE DELTA GAS IN THE FUTURE. ONE POTENTIAL PROBLEM, HOWEVER, MAY BE THAT A GEOLOGICAL FAULT RUNS THROUGH THE TRENCH. LUPPI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROVINCE, POLICIES, CONSTRUCTION, NATURAL GAS, PETROLEUM PIPELINES
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VANCOU00494
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770201-0528
Format: TEL
From: VANCOUVER
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770685/aaaacwwl.tel
Line Count: 319
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b0243984-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags: ANOMALY
Review Date: 27-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2256449
Secure: OPEN
Status: NATIVE
Subject: ALCAN NATURAL GAS PIPELINE PROPOSAL - VIEW FROM THE YUKON
TAGS: ENRG, SENV, PINT, CA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b0243984-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009